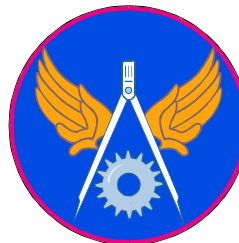


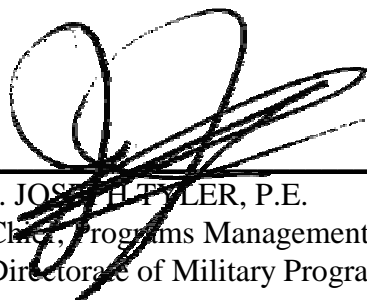


**US Army Corps
of Engineers®**



AIR FORCE MILITARY CONSTRUCTION PROGRAM

Program Management Plan (PgMP)



J. JOSEPH TYLER, P.E.
Chief, Programs Management Division
Directorate of Military Programs

Date: 16 May 2003



ANDREW R. SCRAFFORD, Colonel, USAF
Chief, Engineering Division
DSC/Installations & Logistics

Date: 16 May 2003

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1. GENERAL:

1.1 PURPOSE: The HQ U.S. Air Force (HQ USAF) and HQ U.S. Army Corps of Engineers (HQ USACE) jointly developed this Program Management Plan (PgMP) to implement the Partnering Agreement (reference 1.2a), and to support successful delivery of USAF Military Construction (MILCON) facilities on time and on budget. The PgMP establishes and formalizes the expectations of both organizations in providing ‘cradle to grave’ management of the Air Force Military Construction Program. The PgMP supersedes and cancels the Memorandum of Understanding (Level 1) Between Headquarters United States Air Force, Chief, Engineering Division and Headquarters, United States Army Corps of Engineers, Director of Military Programs dated 23 April 1998.

1.2 REFERENCES:

- a. Partnering Agreement, HQ USAF/ ILE and HQ USACE, dated 20 June 2002
- b. DODI 4270.5, Military Construction Responsibilities, 2 March 1982
- c. ER 5-1-11, United States Army Corps of Engineers Business Process, 17 Aug 01
- d. AFI 32-1023, Design and Construction Standards and Execution of Facility Projects

1.3 SCOPE: This PgMP applies to all USAF MILCON projects assigned to USACE by DODI 4270.5, (reference 1.2.b). This PgMP may be supplemented by individual MAJCOM PgMPs and by a project management plan (PMP) for each MILCON project developed by the USACE district office assigned project management responsibility.

1.4 CHANGES TO PgMP: The PgMP will be reviewed annually and may be revised at any time on mutual consent of the signatories.

2. ROLES AND RESPONSIBILITIES:

2.1 HQ USAF/ILEC is responsible for management of the AF military construction (MILCON) program. HQ USAF/ILEC provides policy, direction, and financial management oversight to MAJCOMs and HQ USACE for execution of the Air Force MILCON program.

2.2 HQ USACE is responsible for command and control of the USACE Major Subordinate Commands (MSCs). HQ USACE, Army and Air Force Branch (CEMP-MA), is responsible for program management of the AF MILCON Program assigned to USACE, including USACE policy, guidance and direction for program management and execution. CEMP-MA is the primary point-of-contact with HQ USAF/ILEC for program management, financial management, and execution issues including periodic program reviews.

3. PROGRAM MANAGEMENT:

3.1 GENERAL: The HQ USAF and HQ USACE will work to meet all expectations outlined in this plan. Each will maintain a continuing dialog with their counterpart as well as up and down their management chain to achieve successful projects through a partnered effort by the entire USAF and USACE team. HQ USAF and HQ USACE will continually strive to improve policy and guidance to meet the objectives in this plan. HQ USAF and HQ USACE will coordinate policy changes that may impact program execution prior to issuance. USACE Program Management will be in accordance with ER-5-1-11 (reference 1.2c).

3.2 PROGRAM MANAGEMENT TEAM (PgMT): As a minimum, the Air Force MILCON PgMT will consist of, but, not be limited to, the following: HQ USAF/ILEC and HQ USACE, CEMP-MA members responsible for program execution. The members assigned will have decision-making authority. Their roles and responsibility include developing guidance for field execution of the MILCON program, and resolution of MAJCOM and USACE Major Subordinate Command (MSC) level conflicts.

3.3 DESIGN AND CONSTRUCTION RESPONSIBILITIES:

- a. Design and construction of projects assigned to USACE by DODI 4270.5 will normally be executed by the geographic military district responsible for the region where the AF installation is located. A project may be brokered from the geographic district to another district in accordance with USACE policy (Tab A).
- b. The AF may assume design and construction responsibility for selected projects not to exceed five percent of the dollar value of each year's USAF MILCON program assigned to USACE. When exercising this agreement, the AF will assume complete responsibility for execution of the project. Specific projects will be identified by the HQ USAF/ILEC and coordinated with HQ USACE. The AF will request Office of Secretary of Defense (OSD) approval, if required, in accordance with DODI 4270.5 (reference 1.2.b).

3.4 PROGRAM REVIEWS:

- a. HQ USACE and HQ USAF senior leaders will meet periodically to review the current status of the MILCON program and USACE support to the AF. The Chief of Engineers and the AF Civil Engineer will plan to meet annually. The Director of Military Programs and the AF Civil Engineer will plan to meet bi-annually.
- b. Program Management Reviews (PMRs): HQ USAF will attend the HQ USACE annual MILCON Program review with MSC's. HQ USACE will attend biannual HQ USAF MAJCOM program reviews.
- c. HQ Level Quarterly Report: HQ USACE will provide quarterly execution reports, and briefings if requested, to HQ USAF. Execution reports will address the program goals (Appendix B), identify projects that potentially may miss a performance goal, and address issues referred by MAJCOMs and MSCs.

3.5 CONFLICT RESOLUTION: Disagreements will be resolved at the lowest possible management level. Any impasse will be elevated to the next command level for decision without unnecessary delay. Impasses that remain may be arbitrated by a third party as mutually agreed by HQ USAF ILE and HQ USACE, Director of Military Programs.

3.6 AUTOMATED MANAGEMENT INFORMATION SYSTEMS: HQ USACE and HQ USAF will work to develop automated exchange of data between automated project management information systems and to permit access to service specific project management systems. These systems are listed in Appendix A.

4. PLANNING:

4.1 DESIGN GUIDES: HQ USAF/ILE will provide HQ USACE opportunities to review Air Force Design Guides and Unified Facilities Criteria documents as they are being vetted by the document owners. AF Engineering Technical Letters (ETLs) will be coordinated with HQ USACE prior to distribution to AF and USACE offices. USACE will comply with HQ USAF approved ETLs in the design and construction of AF facilities.

4.2 LEGISLATIVE PROPOSALS: PgMT members will confer annually to coordinate legislative proposals.

4.3 FEEDBACK: PgMT members will provide feedback on the provisions on the planning process during semi-annual AF hosted Program Management Reviews.

5. PROGRAMMING: HQ USAF/ILEC will provide DD Forms 1391 and Future Year Defense Plan information to HQ USACE as soon as such information is releasable.

6. DESIGN:

6.1 DESIGN AUTHORIZATION:

- a. Planning Instruction (PI). HQ USAF will provide information copies of PI's to HQ USACE CEMP-MA authorizing MAJCOMs to proceed with design.
- b. 2807 Notification. HQ USAF will notify the appropriate committees of Congress when required and advise HQ USACE within seven days after the notification is complete.
- c. Field Design Instruction (Field DI). After receipt of the PI, the MAJCOM will issue a Field DI to the USACE district with information copies to the MSC and HQ USACE. The Field DI authorizes USACE to design the project and includes specific information including, but not limited to, the following: Programmed Amount (PA), Construction Cost Limitation (CCL), Scope, DD Form 1391, Level of Design Authorized, and proposed schedule with User Need Date. Depending on design funds availability, design funds will be provided with Field DI to fund authorized level of design. For President's Budget projects, the target is to issue Field DIs at least 12 months prior to beginning of the execution year (1 Oct 2002 for FY04 program). For Congressional insert projects, the target is to issue PIs and Field DIs within 30 days following three positive Congressional MILCON Subcommittee marks.

6.2 DESIGN CRITERIA: Projects will comply with AFI 32-1023 (reference 1.2.d). HQ USAF is responsible for providing written confirmation of policy waivers to AFI 32-1023 to HQ USACE for dissemination to USACE offices. USACE cannot waive AF criteria without written HQ USAF approval.

7. CONSTRUCTION:

7.1 SCHEDULE: Project schedules will be developed jointly between USACE and AF to achieve AF requirements. The scheduled beneficial occupancy date (BOD) is a commitment to the customer.

7.2 RED ZONE MEETING (RZM): A RZM (Tab B) will be convened for the purpose of facilitating physical and fiscal completion of the project.

7.3 PROJECT TURNOVER: Interim DD Forms 1354 will be provided to the appropriate Air Force representative at the completion of construction. Final DD Forms 1354 will be provided when the project has been financially closed out. (Tab C).

7.4 CURRENT WORKING ESTIMATE (CWE): The CWE includes contract award amount, optional bid items, contingency, the applicable Supervision and Administration (S&A) rate, and other miscellaneous items. The miscellaneous items may include costs for: as-built drawings, USAF Management Reserve funds, Design During Construction funds, Base-performed work items, and separately funded equipment or telecommunications requirements. Design During Construction funds must be approved by the requiring MAJCOM in accordance with Tab D.

8. FINANCIAL MANAGEMENT:

8.1 TRANSFER OF FUNDS: MILCON funds are released by HQ USAF to HQ USACE for award of contracts, increases in contracts, real estate acquisition and other purposes specified in Congressional Authorization and Appropriation Bills. HQ USACE will allocate these funds to the appropriate USACE district.

8.2 FUNDS MANAGEMENT: HQ USACE is accountable for all AF MILCON funds transferred to USACE. Upon identification by HQ USAF, USACE will assist in return of excess funds to USAF in a timely manner. HQ USACE will provide HQ USAF and MSCs with monthly reports of unobligated/unexpensed AF MILCON funds being held by USACE.

8.3 CLAIM SETTLEMENT AND REIMBURSEMENT TO THE JUDGEMENT FUND:

a. USACE will not hold contingency funds for payment of claims in excess of the estimated amount for settlement of claims jointly determined to have merit.

b. HQ USACE will provide HQ USAF/ILEC and MSCs a quarterly report summarizing claim settlements and outstanding claims.

9. PROGRAM GOALS: The overall goal for the MILCON program is to provide quality facilities that meet user requirements on time, and within budget. The Air Force goals are shown in Appendix B. An annual joint report will be developed showing the program health based on these goals. Indicators not meeting the agreed goal are expected to show improvement in subsequent years.

APPENDIX A
AUTOMATED MANAGEMENT INFORMATION SYSTEMS

1. Corps of Engineers Financial Management System (CEFMS): CEFMS will be used for tracking and reporting funds management. The district PM will maintain accurate data in CEFMS.

2. Project Management Information System (PROMIS): PROMIS is the current USACE project management system. The district PM will promptly enter and continuously maintain project data in PROMIS.

3. Construction Resident Management System (RMS): RMS is a USACE automated quality management and construction contract administration system. The system provides tools to plan, and manage construction by integrating job specific requirements, corporate technical knowledge, construction schedule and actual placement, documentation of construction quality assurance functions, and management policies. The CA will promptly enter and continuously maintain data in RMS. RMS feeds construction contract data to PROMIS.

4. Programs and Projects Delivery System (PPDS): PPDS is a USACE internet-based information source that provides current and detailed data for all projects. PPDS extracts project data from PROMIS and RMS. The district PM is responsible for maintaining project data in PPDS.
<http://ppds.usace.army.mil>

5. Air Force Automated Civil Engineer System – Program Management (ACES-PM): ACES-PM provides an integrated, worldwide network for transfer of Air Force design and construction management information. The system utilizes distributive processing, with information entered at local desktop computers to generate daily updated project data for worldwide availability. AF PgM will be responsible for entering information into the ACES-PM system during the design and construction phases.

APPENDIX B

GOALS

1. DESIGN AUTHORIZATION, FINAL DESIGN. For President's Budget projects, design instructions and design funds for the final design phase will be issued by Oct 1, one year prior to the execution year (1 Oct 2002 for projects in the FY04 program). For Congressional Insert projects, design instructions will be issued within 30 days of three positive Congressional MILCON Subcommittee marks. Depending on design funds availability, design funds will be provided with Field DI to fund authorized level of design.

2. USE OLD P&D FUNDS. Obligate prior year P&D funds against contracts or in-house labor (not just MIPRs), by the end of the third quarter, as follows:

FY -3 and prior years (FY00 and prior for FY03) 100% obligated,

FY - 2 (FY01 for FY03) 100% obligated,

FY - 1 (FY02 for FY03) 80% obligated.

3. DESIGN COMPLETION. Complete design of all President's Budget projects and be ready to advertise for construction by 30 September prior to the execution year.

4. CONSTRUCTION CONTRACT AWARD, PRESIDENT'S BUDGET PROJECTS.

Award all President's Budget projects in the first two quarters of the appropriation FY.

5. CONSTRUCTION CONTRACT AWARD, CONGRESSIONAL INSERT PROJECTS.

Award all Congressional Insert Projects in the appropriation FY.

6. CONSTRUCTION DURATION. Construction duration (NTP to BOD) at time of award should not exceed the following:

PA less than \$5M, construction duration is 365 days

PA between \$5M and \$20M, construction duration is 540 days

PA \$20M and greater, construction duration is 730 days

7. CONTRACT AWARD COST (CWE/PA RATIO). Award the program with a CWE/PA ratio established annually by HQ USAF. The sum of the award CWE divided by the sum of the PA for all projects available for award in FY should be less than the annually established amount.

8. CONSTRUCTION SCHEDULE GROWTH. Manage schedule growth to 10% or less. Schedule Growth is the performance days (i.e., NTP to BOD) relative to the original estimated performance days specified in the contract. Schedule growth has a direct impact on cost growth. Minimizing schedule growth promotes quicker closeout of projects and availability of funds for use elsewhere if needed.

9. CONSTRUCTION COST GROWTH. Manage construction cost growth to 5% or less of the original contract amount. Cost Growth is the ratio of current contract cost to original contract cost. Original contract award price is the basis for all calculations.

10. FINANCIAL CLOSEOUT. Financially close projects in CONUS within 12 months of BOD, and OCONUS projects within 15 months.

TABS

- A. Engineer Regulation, ER 5-1-10, Corps-wide Areas of Work Responsibility, dated 30 Sept 1997
- B. Engineering and Construction Bulletin (ECB) 2004-14, MILCON Project Close-out, The Red Zone, dated 22 May 2002
- C. Users Handbook, DD Form 1354, Subject: Transfer and Acceptance of Military Real Property, dated 1 Dec 2002
- D. Memorandum, CEMP-M (CERM-P), Clarification of USACE Policy on Planning and Design (P&D), Construction Supervision and Administration (S&A), and Post-Award Engineering and Design Services (DDC), dated 26 Mar 2003.